

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-008-G - ORDER NO. 92-179 ✓
MARCH 12, 1992

IN RE: Semi-Annual Review of Gas Cost Recovery) ORDER
 Procedures & Purchasing Policies of) CLOSING
 South Carolina Electric & Gas Company.) DOCKET

In our Order No. 91-972, issued on November 4, 1991, the Public Service Commission of South Carolina (the Commission) reserved its determinations concerning issues identified in the intended evidence of the Commission Staff until a final Order in the related proceeding concerning the gas purchasing practices of South Carolina Pipeline Corporation (Pipeline), the Company's supplier of natural gas. The issues which the Commission "held in abeyance" pertained generally to the Company's gas purchasing practices and the level of the Company's cost of gas which it purchases from Pipeline. See Order No. 91-972 at 7.

On December 20, 1991, the Commission issued its Order No. 91-1138 in the combined proceedings in Docket Nos. 90-452-G, 91-011-G and 91-563-G.¹ In that Order, the Commission determined,

1. The proceeding in Docket No. 90-452-G originally concerning the continuation of the Industrial Sales Program (ISP) Rider; the proceeding in Docket No. 91-563-G pertained to Pipeline's application for certification of a proposed liquefied natural gas (LNG) facility. Those proceedings were consolidated with the annual review of Pipeline's gas purchasing practices and recovery of its gas costs in Docket No. 91-011-G. See Order No. 91-888, dated October 15, 1991.

inter alia, that Pipeline's purchasing practices were prudent. Order No. 91-1138 at 7. In addition, the Commission approved certain modifications to Pipeline's Industrial Sales Program which were designed "to ensure that firm customers [like the Company] receive a reasonable level of benefits from the lower cost gas entering Pipeline's system." Id. at 5 and 7.

In Order No. 91-972, the Commission found that the Company's purchases of natural gas and its recovery of gas costs for the September 1990 through August 1991 period were accomplished in accordance with tariffs and rate schedules approved for Pipeline and SCE&G. Order No. 91-972 at 9. Furthermore, the evidence of record demonstrates that the calculations of the Company's gas costs for the historical period used for the forecasted period through October 1992 were adjusted to reflect the currently effective tariffs of Pipeline's interstate suppliers and the charges which the Commission has approved for Pipeline. The evidence also shows that the Commission Staff verified the gas costs and examined the Company's calculations without exception.

In light of the evidence in this proceeding and in accordance with our findings concerning the prudence of Pipeline's gas purchases and the ISP in Order No. 91-1138, the Commission does not consider it necessary to address further in this proceeding those issues reserved in Order No. 91-972.

Based upon the record entered in this case and evidence presented in Docket Nos. 90-452-G, 91-011-G and 91-563-G, the Commission finds that SCE&G's purchasing practices for the period

under review and the recovery of gas costs were consistent with Commission approved methodology and tariffs.

Therefore, the Commission believes that this Docket should be closed.

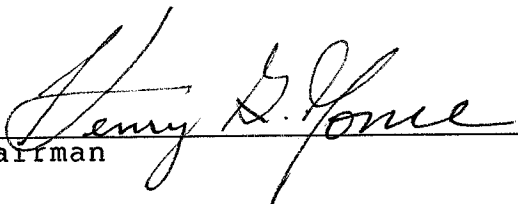
IT IS THEREFORE ORDERED:

1. That SCE&G's purchasing practices for the period under review and the recovery of gas costs were consistent with Commission approved methodology and tariffs.

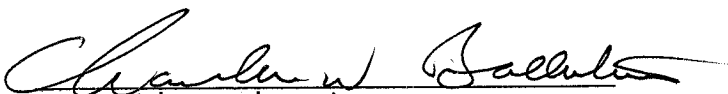
2. That this Docket is hereby closed.

3. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Vice Chairman

ATTEST:


Executive Director

(SEAL)